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13713
RECORDATION NO. 13713
JUL 30 1982 - 3 10 PM

July 30, 1982

INTERSTATE COMMERCE COMMISSION

Ms. Agatha L. Mergenovich
Office of the Secretary
Recordation Office
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

No. 2-211A103
JUL 30 1982
Date.....
Fee \$ 50.00

ICC Washington, D. C.

Re: Lease By and Between MDFC
Equipment Leasing Corporation,
as Lessor, and Kaiser Cement
Corporation, as Lessee

Dear Ms. Mergenovich:

In accordance with the provisions of Section 11303 of the revised Interstate Commerce Act, 49 U.S.C. § 11303, and part 1116 of Title 49 of the Code of Federal Regulations, I request, as special counsel for McDonnell Douglas Finance Corporation (MDFC), that the enclosed document be recorded and filed with the Interstate Commerce Commission.

You will find enclosed herewith an original and two (2) certified copies of an Equipment Lease Agreement, dated as of July 29, 1982, by and between McDonnell Douglas Finance Corporation (MDFC) Equipment Leasing Corporation, as Lessor, and Kaiser Cement Corporation, as Lessee. This Equipment Lease Agreement is intended to effectuate the lease of fifteen (15), new ACF 2980 cubic feet bulk cement 100-ton railroad covered hopper cars, bearing Road Nos. KCGX 30-44, inclusive.

JUL 30 3 04 PM '82

counterpart -
J. A. D. Barry

Ms. Agatha L. Mergenovich
July 30, 1982
Page two

The parties to this Equipment Lease Agreement are:

MDFC Equipment Leasing Corporation
P. O. Box 580
100 Oceangate, Suite 900
Long Beach, California 90801
Attention: President

and

Kaiser Cement Corporation
300 Lakeside Drive
Oakland, California 94612
Attention: Controller

You will also find enclosed herewith a check made payable to the Interstate Commerce Commission for the sum of Fifty Dollars (\$50.00), which sum represents payment of the requisite filing fee.

Would you please stamp, as filed, and return the enclosed copies to my office at your earliest convenience?

If you have any questions in this regard, please do not hesitate to contact me.

Sincerely yours,

JACKSON, CAMPBELL & PARKINSON, P.C.

By: David H. Cox
David H. Cox

DHC/lg

Enclosures As Stated

cc: Mr. Mark M. Orenstein

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

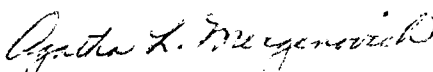
July 30, 1982

David H. Cox
Law Offices
Jackson, Campbell & Parkinson, P.C.
One Lafayette Centre-Suite 300 Sth.
1120 20th St. N. W.
Washington, D. C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/30/82 at 3:10PM, and assigned re-recording number(s). 13713

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 13713
JUL 30 1982 - 3 10 PM
INTERSTATE COMMERCE COMMISSION

Equipment Lease No. 667

MDFC Equipment Leasing Corporation
100 Oceangate, Long Beach, California 90802

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE ("Lease"), is dated as of the 29th day of July, 1982, and is by and between MDFC Equipment Leasing Corporation, a Delaware corporation ("Lessor") and Kaiser Cement Corporation, a Delaware corporation ("Lessee").

WITNESSETH:

1. Lease. Lessor hereby agrees, subject to satisfaction of the conditions hereinafter set forth, to lease to Lessee and Lessee hereby agrees to lease from Lessor each item of equipment, (individually called an "Item of Equipment" and collectively the "Equipment") described in each Individual Equipment Record ("IER") executed and delivered by Lessor and Lessee with respect to an Item of Equipment pursuant to the terms of this Lease.

2. Term. The term ("Term") of this Lease for an Item of Equipment shall be as set forth on the IER applicable to such Item of Equipment but in no event shall it be less than the recovery period under the Internal Revenue Code of 1954, as amended from time to time, and any Regulations that are or may be promulgated thereunder ("Code") for such Item of Equipment and shall commence for such Item of Equipment on the date shown on such IER ("Commencement Date"). The word "Term" as used herein shall include any extensions of the original term pursuant to the terms of this Lease. Notwithstanding anything contained herein, or in any addendum or amendment not specifically modifying this Section 2, to the contrary, if the Lease has not previously terminated, it will automatically terminate.

with respect to each Item of Equipment upon expiration of a period equal to 150% of the ADR midrange under the Code in effect on January 1, 1981 for such Item of Equipment from the Commencement Date.

3. Rent. Lessee shall pay Lessor rent for an Item of Equipment throughout the Term as set forth in the IER applicable to such Item of Equipment, without deduction or offset, in the amounts and at the times set forth in the IER applicable to such Item of Equipment. In the event Lessee shall be in default in the payment of any sum of money to be paid under this Lease, whether rent or otherwise, the Lessee shall pay Lessor, as additional rent, to the extent permitted by applicable law, interest on such unpaid sum from its due date to date of payment by Lessee at a rate equal to 125% of the Prime Rate or the maximum amount permitted by applicable law, whichever is lower (the "Overdue Rate"). Rent and all other amounts payable to Lessor hereunder shall be payable at the office of Lessor at 100 Oceangate, Suite 900, Long Beach, California 90802, Attention: Controller (or at such other place as Lessor may from time to time designate in writing).

4. Taxes Against Lessor or Equipment. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license and registration fees and sale, use, personal property, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereon (collectively, "taxes, fees or other charges") imposed against Lessor, Lessee or the Equipment or any part thereof by any Federal, state or local government or taxing authority, during the term or in connection with the termination of this Lease, upon or with respect to the Equipment or any part thereof or upon the purchase, ownership, delivery, leasing,

possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom or upon or with respect to this Lease (excluding, however, (i) any taxes imposed by the Federal government on, based on, or measured by, the net income of the Lessor and (ii) any income or franchise taxes imposed by any taxing authority other than the Federal government on, based on, or measured by, the net income of the Lessor, unless, and only to the extent and for the period that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings. In case any report or return is required to be made with respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will either prepare and file such report or return in such manner as will show the ownership of the Equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and Lessee will prepare such report or return for filing by Lessor, subject to Lessor's approval. If claim is made against Lessor for any taxes, fees or other charges referred to in this Section, as to which Lessee is responsible for under this Lease or caused by Lessee's acts Lessor shall promptly notify Lessee. If reasonably requested by Lessee in writing, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request with respect to such asserted liability, provided that upon Lessor's reasonable request Lessee furnishes an opinion of independent counsel, which opinion and counsel shall both be satisfactory to Lessor, to the effect that such action is prudent, reasonable and proper, and if reasonably so requested by Lessee, any payment by Lessor of such tax, fee or other charge shall be made under protest, if protest is necessary and proper. If payment is made, Lessor shall, at Lessee's

expense, take such action as Lessee may reasonably request to recover such payment and shall, if requested, permit Lessee in Lessor's name to file a claim or prosecute an action to recover such payment. All of the obligations of Lessee under this Section with respect to any taxes, fees, or other charges imposed or accrued before the expiration or other termination of this Lease shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor.

5. Lessee's Failure to Pay Taxes, Insurance, Etc. Should Lessee fail to make any payment or do any act as herein provided, then Lessor shall have the right, but not the obligation, without releasing Lessee from any obligation hereunder, to make or do the same, and to pay, purchase, contest or compromise any Lien (as hereinafter defined) not permitted hereunder which in Lessor's reasonable judgment affects the Equipment or Lessor's rights with respect thereto, and in exercising any such rights, incur any liability and expend such amounts as in its reasonable discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be within 5 business days of such date due and payable by Lessee and if not paid by the due date shall bear interest at the Overdue Rate from the date so incurred or expended by Lessor to the date Lessor is reimbursed therefor by Lessee.

6. Use and Ownership. Lessee shall use, operate, maintain and store the Equipment in a careful and proper manner and shall comply with all laws, ordinances and regulations relating to the possession, use, operation or maintenance of the Equipment. Lessee shall use the Equipment only in the manner contemplated by the manufacturer thereof. Lessee agrees to pay all costs incurred in connection with the use and

operation of each Item of the Equipment, during the Term thereof, including but not limited to, repairs, maintenance, storage and servicing, except to the extent that such costs are paid by the manufacturer.

Lessee acknowledges and agrees that it does not have and will not acquire legal title to the Equipment, it being expressly understood that this Lease is an agreement of lease only. The Equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the Equipment is that of a lessee hereunder. Lessee shall affix to each Item of Equipment and keep and maintain, plainly and distinctly, permanently and conspicuously upon each such Item of Equipment the following words:

"Owned by MDFC Equipment Leasing Corporation
Owner-Lessor"

Lessee shall keep the Equipment free from any markings or labeling which might be interpreted as a claim of ownership thereof by Lessee or any party other than Lessor or its assigns. Lessee shall not remove an Item of Equipment from the location set forth in the IER applicable to such Item of Equipment or transfer possession of the Equipment in any manner without Lessor's prior written consent. Upon written demand by Lessor, Lessee promptly shall give Lessor written notice of the exact location of the Equipment.

7. Alterations. Lessee shall not make any alterations, additions or improvements to the Equipment without the prior written consent of Lessor. All such alterations, additions or improvements so consented to by Lessor shall become the property of Lessor and shall be free of all Liens. Lessee shall provide a bill of sale to Lessor for all such

alterations, additions or improvements.

8. Maintenance and Repair. Lessee, at its sole cost and expense, shall keep the Equipment in good operating order, repair, condition and appearance, ordinary wear and tear excepted, and shall furnish any and all parts, mechanisms or devices required to keep the Equipment in good mechanical and working order. In performing maintenance and repair, Lessee shall comply with all of the manufacturer's specifications and recommendations.

9. Delivery and Acceptance. Prior to execution of the IER Lessee shall have made at its expense all necessary inspections and tests of the Item or Items of Equipment referred to therein, to determine whether each such Item of Equipment conforms to the Lessee's specifications. Upon execution of the IER by Lessee, the Item or Items of Equipment described therein shall for purposes of this Lease, and as between Lessor and Lessee, be deemed to conform to Lessee's specifications, shall be deemed to be in good condition and without defects and shall be deemed to be an Item of Equipment subject to the terms of this Lease.

10. Inspection; Lessee Reports. Lessor shall at all times during normal business hours have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment, its condition, use, and operation to ensure compliance by Lessee with its obligations hereunder, provided, that Lessor shall have no duty to inspect and shall not incur any liability or obligation by reason of not making any such inspection.

Lessee shall promptly within 5 business days of knowledge by Lessee notify Lessor of any accident connected with the Equipment, including in such report the time, place and nature of the accident, the damage caused

to property, the names and addresses of persons injured and of witnesses, and such other information as may be relevant to such accident.

Lessee shall, as soon as practicable after the close of each quarter and fiscal year of Lessee during the Term, furnish to Lessor copies of Lessee's financial reports prepared by it as of the close of the period ended, including Lessee's balance sheet and profit and loss statement, with said fiscal year reports certified to by a recognized firm of independent certified public accountants. Lessee also agrees to furnish Lessor during the Term, promptly upon their availability, copies of all financial statements sent by Lessee to its stockholders, and all 10K and 10Q reports filed by Lessee with the SEC. Further, Lessee agrees to furnish Lessor from time to time such other information as Lessor may reasonably request.

11. Warranties. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT OF THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE EQUIPMENT IS LEASED HEREUNDER BY LESSOR "AS-IS".

Lessor hereby represents to Lessee that Lessor has the full right and authority to enter into this Lease on the terms herein stated, and that, conditioned upon Lessee performing all of the terms, covenants and conditions hereof, Lessor, its successors and assigns will not disturb

Lessee's peaceable and quiet possession and use of the Equipment during the Term of this Lease.

So long as and only so long as no Event of Default has occurred and is continuing, Lessor hereby authorizes Lessee during the Term of this Lease to assert for the Lessor's account all of its right, title and interest in, under and to any warranty in respect of the Equipment issued by the manufacturer thereof, and agrees to execute and deliver such further instruments as may be reasonably necessary to enable Lessee to enforce such warranty. All claims or actions on any warranty shall be made or prosecuted by Lessee, at its sole cost and expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Any recovery under such a warranty shall be applied first to restore the Equipment; second, to pay the reasonable out-of-pocket expenses Lessee incurs in enforcing such warranty claim; and third, to pay any balance to Lessor. Lessor further authorizes Lessee to obtain whatever service to the Equipment the manufacturer customarily renders, provided that no such service shall be at the cost or expense of the Lessor.

12. Insurance. Throughout the Term of this Lease, Lessee at its own expense shall maintain with respect to each Item of Equipment, as provided in the IER relating thereto, (a) all risk physical loss insurance on such Item of Equipment for an amount at least equal to the Stipulated Loss Value set out in the IER provided that with respect to such all risk physical loss insurance on such Item of Equipment, Lessee may self-insure for such Item of Equipment, and (b) public liability and property damage insurance with respect to such Item of Equipment in an amount of not less than \$5,000,000. Such insurance shall (i) with respect to liability insurance, name Lessor as an insured, (ii) with

respect to all risk physical loss insurance, name Lessor as loss payee, if applicable, and (iii) be with companies satisfactory to Lessor. There shall be no right of contribution with respect to any insurance maintained by Lessor. All insurance required hereunder shall provide that coverage may not be altered or cancelled by the insurer without thirty (30) days' prior written notice to Lessor. Losses shall be paid to Lessor and its assignee, if any, and to Lessee as their interests appear. All such insurance shall contain such endorsements as may be reasonably requested by Lessor. Lessee's obligation to keep the Equipment insured as provided herein shall continue until the Equipment is returned to Lessor pursuant to the provisions hereof.

Lessee shall furnish Lessor with insurance certificates evidencing such insurance prior to the Commencement Date of the applicable IER.

For purposes of this Lease the term "Stipulated Loss Value" for an Item of Equipment as of any date of computation shall be the product of (x) the cost paid by Lessor for such Item of Equipment as set forth in the IER applicable to such Item of Equipment and (y) that Stipulated Loss Value percentage set forth in such IER opposite the applicable rental payment with respect to such Item of Equipment. The applicable rental payment shall be that rental payment which includes the rental for the date of computation.

13. Risk, Event of Loss, Condemnation.

(a) Risk: Commencing on the Commencement Date and continuing until the expiration of the Term of this Lease and the return by Lessee of the Equipment to Lessor pursuant to the provisions hereof, Lessee assumes the entire risk of any Event of Loss (as defined below) and no such Event of Loss shall relieve Lessee of any of its obligations hereunder.

(b) Definition - Event of Loss: For purposes of this Section an Event of Loss with respect to an Item of Equipment shall mean any of the following events: (i) the actual or constructive total loss of such Item of Equipment; or (ii) such Item or Equipment shall become lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit for its intended use for any reason whatsoever; or (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, such Item of Equipment; or (iv) the termination, for any reason whatsoever, of this Lease by operation of law.

(c) Deprivation Constituting an Event of Loss: Upon the occurrence of an Event of Loss, Lessee shall pay or cause to be paid to Lessor, on the date of loss, in immediately available funds: (i) accrued rentals on a daily basis, if any, in respect of such Item of Equipment to the date of such Event of Loss, (ii) the Stipulated Loss Value for such Item of Equipment computed as of the date of such Event of Loss, (iii) interest on the unpaid balance of the amount set forth in (ii) above at the Overdue Rate from the date of such Event of Loss to the date of receipt, (iv) any taxes which may be due, and (v) all other unpaid amounts due hereunder. At such time as Lessor has received the sum of (i), (ii), (iii), (iv) and (v) above, the obligation of Lessee to pay rent hereunder with respect to such Item of Equipment shall terminate and Lessor will transfer to Lessee, without recourse or warranty, "as is, where is", all of Lessor's right, title and interest, if any, in and to the Item of Equipment with respect to which such Event of Loss occurred together with any excess insurance proceeds exceeding the Stipulated Loss Value.

(d) Deprivation Not Constituting an Event of Loss: In the event of damage to any Item of Equipment not constituting an Event of Loss, Lessee shall promptly notify Lessor in writing of such damage and shall remain obligated to make all payments of rent and other amounts due with respect to such Item of Equipment which may become due hereunder in the same manner as if such damage had not occurred. Lessee shall repair and restore such Item of Equipment with new and unused components to the condition it was in immediately prior to the occurrence which gave rise to such payment (assuming such Item of Equipment was maintained in accordance with the terms of this Lease). So long as no Event of Default shall have occurred and be continuing, all payments from insurance proceeds or otherwise with respect to any such damage shall be first used to reimburse Lessee for its out-of-pocket expenses upon receipt by Lessor of satisfactory evidence that Lessee has repaired such Item of Equipment. Should an Event of Default have occurred and be continuing, all such payments shall be paid over to and retained by Lessor.

(e) Application of Payments: Upon the occurrence of any Event of Loss, Lessor shall be entitled to and shall receive the entire award, judgment, settlement, insurance proceeds or payments and all installments thereof to the extent of Lessee's obligations under 13(c) hereof. Lessee hereby assigns to Lessor any right or interest Lessee may have or may hereafter acquire in any such award or payment.

14. Indemnity. Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its successors and assigns, and their respective agents and employees, from and against any and all losses, claims, patent infringements, costs, expenses, (including attorneys' fees) damages and liabilities (including those for strict liability in

tort), however caused, resulting directly or indirectly in any manner from the issuance of ~~Lessor's~~^{Lessee's} purchase order, assignment of Lessee's purchase order or agreement to purchase, ownership, purchase, Lessee's failure, delay or refusal to accept delivery, lease, possession, return, disposition, or directly or indirectly from or pertaining to the use, condition (including without limitation latent or other defects whether or not discoverable) or operation of the Equipment or the performance of this Lease (including without limitation such losses, claims, costs, expenses, damages and liabilities arising from the death or injury to agents or employees of Lessee or Lessor (acting within the scope of their agency or employment) or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person) except for such damages, losses, expenses or liabilities arising out of the negligence or willful misconduct of Lessor, its agents or employees. This indemnification shall survive the expiration or other termination of this Lease and is for the benefit of and enforceable by the Lessor.

15. Return of Equipment. Upon the expiration or earlier termination of the Term of this Lease with respect to an Item of Equipment, Lessee shall return such Item of Equipment to Lessor, free of all advertising or insignia placed thereon by Lessee (except for identification required by Section 6), and in the same operating order, repair, condition and appearance as when received, ordinary wear and tear excepted, and shall pay for any repairs and refurbishing necessary to restore such Item of Equipment to its original condition, ordinary wear and tear excepted. Lessee shall return such Item of Equipment to Lessor loading and shipping same, freight and insurance prepaid, to a destination mutually agreeable to both parties, or failing such agreement to Long Beach, California.

In addition, Lessee shall permit Lessor to store any such Item of Equipment for a period not to exceed ninety (90) days after the expiration of the Term and prior to the return of such Item of Equipment to Lessor. The storage of the Equipment will be at the expense and risk, to the extent of the Stipulated Loss Value of the Equipment, of the Lessee until such Item of Equipment shall have been delivered to Lessor. Notwithstanding anything to the contrary contained herein, commencing on the expiration of the Lease Term and throughout the Lessor's ninety (90) day storage period the Lessee shall provide the Lessor, or any person designated by it, access to such Equipment and will allow the Lessor to display the Equipment to any authorized representative or representatives of prospective purchasers or lessees of such Equipment, and will permit said representative and representatives to examine the books and records of the Lessee relating to the registration and licensing of such Equipment. The delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of the Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

The railroad cars must qualify for Interchange service and must meet all Department of Transportation (DOT) and Federal Railroad Association (FRA) regulations then in effect applicable to such railroad cars.

16. Default, Remedies, Damages.

(a) Defaults: Each of the following events shall constitute an Event of Default:

(1) Lessee shall fail to make any payment to Lessor or to third parties, when due under this Lease and such failure to pay shall continue for a period of ten (10) or more days after the due date thereof; or

(2) There shall occur any termination of, material alteration in the scope of the coverage of, or reduction in the maximum amounts payable under any insurance maintained by Lessee pursuant to this Lease and Lessee fails to submit evidence to Lessor that Lessee has obtained other insurance coverage to make up for such termination, alteration or reduction prior to the date of such termination, alteration or reduction; or

(3) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice of such failure given to Lessee by Lessor; or

(4) Any representaztion or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time in any material respect; or

(5) Lessee has breached any material obligation of Lessee for the deferred purchase price of property or for the payment of rent or hire under any lease whether by acceleration or otherwise and Lessee shall not be in good faith contesting such obligation by appropriate legal proceedings; or

(6) There shall (i) be entered a decree or order for relief by a court having jurisdiction in respect of Lessee in an involuntary case under the federal bankruptcy laws, as now or hereafter

constituted, or any other applicable federal, state or foreign bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Lessee or for all or substantially all of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days, or (ii) be commenced by Lessee a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Lessee or for all or substantially all of its property or the making by it of any assignment for the benefit of creditors.

(b) Remedies: Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor, at its option, may declare this Lease in default and Lessor may do one, or to the extent such remedies are not inconsistent more than one, of the following with respect to the Equipment or any Item of Equipment as Lessor in its sole discretion shall elect, to the extent permitted and subject to compliance with any mandatory requirement of applicable law:

(1) Proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease and to recover damages for the breach thereof;

(2) Repossess with or without notice and sue for the rentals due hereunder as they accrue at Lessee's costs and expenses;

(3) Repossess and without terminating the Lease hold the

Item of Equipment until Lessee shall have complied with all obligations under the Lease;

(4) Repossess with or without notice and sell, relet, use, hold or otherwise dispose of the Item of Equipment;

(5) Without repossessing, declare all unpaid rentals immediately due and payable;

(6) Repossess and terminate the Lease.

(c) Damages: Lessor and Lessee agree that the measure of damages is impossible to determine in the absence of prior agreement. Therefore, the parties agree that as damages for the loss of a bargain and not as a penalty in the case of sale or reletting after repossession Lessor shall be entitled to:

(i) Sale or Determination in Lieu of Sale: Where a sale with respect to an Item of Equipment has occurred, the excess, if any, of the Stipulated Loss Value with respect to such Item of Equipment at the time of sale over the Net Proceeds of Sale with respect to such Item of Equipment. Where a sale has not yet occurred, Lessor may determine to terminate the Lease immediately upon written notice to Lessee and Lessee shall thereupon pay to Lessor the excess of the then Stipulated Loss Value with respect to such Item of Equipment at the time of determination over the then Fair Market Sales Value with respect to such Item of Equipment.

(ii) Re-Lease or Determination in Lieu of Re-Lease: Where a re-lease with respect to an Item of Equipment has occurred, the deficiency between the aggregate rentals due under the re-lease with respect to such Item of Equipment discounted at the Discount Rate and the greater of (a) the Stipulated Loss Value at re-Lease, or (b) the

aggregate remaining unpaid lease rentals with respect to such Item of Equipment due hereunder discounted at the Discount Rate. Where a re-lease with respect to such Item of Equipment has not yet occurred, Lessor may determine that a re-lease will be deemed to have occurred and upon written notice thereof to Lessee, Lessee shall pay to Lessor the deficiency between the Aggregate Fair Market Rental Value with respect to such Item of Equipment discounted at the Discount Rate and the greater of (a) the Stipulated Loss Value with respect to such Item of Equipment at time of determination, or (b) the aggregate remaining unpaid lease rentals thereunder discounted at the Discount Rate, and upon such payment the Lease shall terminate; and

(iii) In addition to either (i) or (ii) above, Lessor shall be entitled to: (a) the unpaid rent from default until sale or re-lease or until determination by Lessor of damages in lieu of sale or re-lease, and (b) interest on all amounts due including rent and damages from date due until payment at the Overdue Rate.

For purposes of this Lease the following definitions apply:

(1) Discounted: Reduction to present value as of the date of sale, re-lease or determination of damages, whichever is applicable, at the Discount Rate and at a frequency equal to the frequency of rental payments under this Lease.

(2) Aggregate Fair Market Rental or Aggregate Fair Market Sales Value: The fair market rental value or fair market sales value of an Item of Equipment as determined by a recognized independent appraiser selected by Lessor.

(3) Net Proceeds of Sale: The consideration received by Lessor upon sale of an Item of Equipment less all expenses associated directly or indirectly with sale including but not limited to refurbishing, repair, advertising, freights.

(4) Discount Rate: A rate equal to the Prime Rate at the Date of Default.

(5) Prime Rate: a rate of interest equal to the prime rate quoted from time to time by the Bank of America.

(d) Each and every power and remedy herein specifically given to Lessor, shall be in addition to every other power and remedy specifically so given or now or hereafter existing at law or in equity, and each and every power or remedy may be exercised from time to time or simultaneously and so often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative to the extent permitted by applicable law (and by the terms of this Lease), and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

17. Assignment by Lessee. Lessee shall not transfer, assign, pledge or hypothecate this Lease, the Equipment or any part thereof or any interest therein, without the prior written consent of Lessor which shall

not be unreasonably withheld. Consent to any of the foregoing acts shall not be deemed to be consent to any subsequent similar act.

18. Assignment by Lessor. Lessor may assign, pledge or in any other way transfer this Lease and the Equipment in whole or in part, or any interest therein with notice to Lessee and Lessee shall execute such consents thereto as may reasonably be required by Lessor. Should this Lease or any interest therein be assigned or should the rentals hereunder be assigned, no breach or default by Lessor of this Lease or any other agreement between Lessee and Lessor shall excuse performance by Lessee of any provision hereof, and no assignee shall be obligated to perform any covenant, condition or obligation required to be performed by Lessor hereunder. The right of such assignee shall be free of all defenses, setoffs and counterclaims which Lessee might now or hereafter be entitled to assert against Lessor. Upon Lessee performing all of the terms, covenants and conditions hereof, Lessor, its successors and assigns will not disturb Lessee's peaceable and quiet possession and use of the Equipment during the Term of this Lease.

19. Personal Property. The Equipment shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon, and Lessee shall do all acts and enter into all agreements necessary to insure that the Equipment remains personal property.

20. Liens. Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, security interest, right or claims of any kind ("Lien") on, or with respect to, any Item of Equipment, title thereto or any interest therein, except:

- (i) the respective rights of Lessor and Lessee under the Lease;
- (ii) Liens which result from claims against or acts of Lessor not arising due to its interest in the Equipment as a Lessor under this Lease;
- (iii) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Item of Equipment or any interest therein; and
- (iv) inchoate materialmen's, mechanics', workmen's, repairmen's employees' or other like Liens arising in the ordinary course of business and securing obligations which are not delinquent, or which are being contested by Lessee in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of such Item or any interest therein.

Lessee will promptly notify Lessor in writing of the existence of any Lien not excepted above, if the same shall arise at any time, and will promptly, at Lessee's expense, cause any such Lien to be duly discharged, dismissed and removed or fully bonded as soon as possible, but in any event within thirty days after the existence of the same shall have first become known to Lessee.

21. Prohibition Against Setoff, Counterclaim, Etc. Lessee's obligation to pay all amount due hereunder shall be absolute and unconditional and shall not be affected by any circumstance whatever, including, without limitation (i) any setoff, counterclaim, defense, or other right which Lessee may have against Lessor, (ii) any defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, the Equipment, or any interruption or

cessation in the use or possession thereof by Lessee for any reason whatsoever, or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or Lessor.

22. Representation, Warranties and Covenants of Lessee. Lessee represents, warrants and covenants: (i) that it is a duly organized corporation with necessary power and qualifications to perform this Lease, (ii) that this Lease has been duly authorized by all necessary corporate action on the part of Lessee and will not contravene or breach any legal, organizational or contractual regulation binding upon Lessee, (iii) that this Lease constitutes valid, binding and enforceable obligations of Lessee and is enforceable in accordance with its terms, (iv) as of the commencement date of the Lease that there are no suits or proceedings pending or threatened against Lessee not disclosed in Lessee's 1981 Annual Report, a copy of which has been provided to Lessor, which may have a material adverse effect on Lessee's financial condition, and (v) that no material adverse change has occurred in Lessee's financial condition as represented in its most recent financial statements submitted to Lessor.

23. Attorneys' Fees. In the event of any action at law or suit in equity in relation to this Lease, Lessee, in addition to all other sums which Lessee may be called upon to pay, will pay to Lessor the amount of its attorney's fees.

24. Notices. All notices required under the terms and provisions hereof shall be in writing and addressed (i) if to Lessee:

Kaiser Cement Corporation
300 Lakeside Drive
Oakland, California 94612

Attention: Controller

or at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor:

MDFC Equipment Leasing Corporation
100 Oceangate, Suite 900
Long Beach, California 90802

Attention: President

or at such other address as Lessor shall from time to time designate in writing to Lessee.


25. Conditions Precedent. As conditions precedent to Lessor's duties under this Lease, Lessee shall furnish Lessor on or before the Commencement Date for the first IER under this Lease the following, all of which shall be satisfactory to Lessor: (a) an opinion of counsel for Lessee with respect to those representations set forth in Section 22 (i) through (iv) inclusive hereof and with respect to such other matters as Lessor may reasonably require, (b) resolutions by Lessee's board of directors authorizing this Lease and Lessee's performance hereunder certified by the Secretary or an Assistant Secretary of Lessee, (c) certificates of insurance, (d) real property waivers, if applicable, and (e) such other documents and evidences of authority for Lessee as Lessor may reasonably require.

26. Miscellaneous. This Lease shall in all respect be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, effect and performance.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default by Lessee under this Lease shall impair any such right, power or remedy of Lessor, nor shall any such delay or omission be construed as a waiver of any breach or default, or of any similar breach or default thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent

breach or default; nor shall consent by Lessor to any act of Lessee be deemed to be consent to any subsequent similar act.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision of this Lease prohibited or unenforceable in any respect. No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge ~~or~~ termination is sought. This Lease  shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in any Item of Equipment except as a Lessee only.

27. Recording, Registration and Filing. Lessee shall, at its expense, accomplish all recordings, registrations and filings of this Lease, required by law or requested by Lessor to protect Lessor's title and interests in the Equipment, and shall furnish Lessor with evidence satisfactory to lessor of each such recording, registration and filing.

28. Tax Indemnity. Lessee hereby represents and warrants to Lessor (such term for the purpose of this Section 28 meaning Lessor and the corporation with which Lessor consolidates its United States federal income tax returns) that no act or omission of Lessee shall invalidate or make untrue the following factual statements:

(1) the Term of this Lease for each Item of Equipment (including extensions thereof) does not exceed 80% of the useful life of such Item of Equipment;

(2) all of the Equipment is new, unused and eligible for investment tax credit of not less than the percentage specified in the IER for each Item of Equipment;

(3) all of the Equipment is recovery property of the class specified in the IER for each Item of Equipment;

(4) the Lessor's cost of the Equipment, as described in the IER, does not exceed the fair market value of the Equipment and if the Lessor purchased the Equipment from the Lessee, the Lessee's adjusted basis in the Equipment; and

(5) each Item of Equipment was placed in service on the Commencement Date; and

(6) each item of Equipment will be used in the United States as part of the normal business operations of the Lessee or its Lessee.

Lessee covenants to Lessor and agrees that:

(1) this Lease is a lease for all purposes, including but not limited to Federal, state and local tax purposes;

(2) it will characterize the relationship herein established as a lease and will treat it as such for all purposes;

(3) Lessor shall have the sole right to utilize and to claim the investment tax credit, the accelerated cost recovery deductions ("ACRS Deductions") provided by Section 168 of the Internal Revenue Code of 1954, as amended from time to time, and any Regulations that are or may be promulgated thereunder ("Code") and depreciation deductions equal to 100% of Cost on the Equipment in the computation of Federal, state and

local tax returns and reports for each year during the Term of this Lease;

(4) it shall not utilize or claim or attempt to utilize or claim the investment tax credit, ACRS Deductions or depreciation deductions for any purposes whatsoever;

(5) it will neither take any action, nor fail to take any action, (including without limitation actions or failures to act permitted hereunder) which will have the result of causing the Lessor to lose or to recapture all or any part of the credits or deductions attributable to the Equipment, or its ownership thereof.

In the event any of the Lessee's representations, warranties or covenants set forth in this Section 28 prove incorrect for any reason whatsoever at any time, and the Lessor loses all or any part of the benefit of any credit or deduction attributable to the Equipment or is required to recapture all or any part of any credit or deduction ("Loss"), the Lessee shall indemnify and shall pay to the Lessor, with respect to each Loss, a sum, which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any Federal, state or local government or taxing authority in the United States (or which would have been required to be paid by Lessor for such Loss had Lessor had sufficient gross income within the meaning of Section 61 of the Code to actually derive the benefit of such credit or deduction), shall be equal to (a) the amount of any additional Federal, state or local income taxes required to be paid with respect to such Loss (or which would have been required to be paid by Lessor for such Loss had Lessor had sufficient gross income within the meaning of Section 61 of the Code to actually derive the benefit of such credit or deduction), plus (b) the amount of any penalties, interest and other additions to tax

(including, but not limited to, any additions to tax because of underpayment of estimated tax) which may be payable by Lessor in connection with the Loss. The amount of payment will be reduced by any savings in Federal income taxes to be realized by Lessor in the future as a result of the Loss discounted to present value using the Discount Rate.

The liability of the Lessee to make any indemnity payment hereunder shall become fixed at the time Lessor makes payment of the tax attributable to the Loss, or if Lessor is not required to make payment of tax with respect to the Loss, the date on which Lessor files its tax return for the taxable year in which such Loss occurs, and shall be due and payable within 15 days after receipt by Lessee of written notice from Lessor as to the fixing of such liability. Lessee shall pay interest on any indemnity payment not made when due at the Overdue Rate.

29. Options.

(a) Fair Market Value Purchase Option. Lessee is hereby granted an option, which option shall not be assignable separately from the Lease, to purchase AS-IS-WHERE-IS all or a random selection of less than all of the Equipment covered by this Lease, at the expiration of the Term for an amount equal to the sales price for the Equipment, F.O.B. buyer's place of business, that would then be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell.

The exercise of said option is conditioned upon the happening of the following conditions precedent: (a) Lessee has performed all of the terms and conditions of this Lease and of all other agreements between Lessor and Lessee, at the time and in the manner required therein and that neither an Event of Default nor an event which with due notice

and/or lapse of time would constitute an Event of Default shall have occurred and be continuing under the Lease or any other such agreement; Lessor has received written notice of the election to exercise said option at least one hundred twenty (120) days' prior to the date upon which the original Term of the IER of this Lease expires; and Lessee has paid to Lessor the Fair Market Value price, as set forth below, together with all taxes on or measured by such purchase price.

The Fair Market Value shall be an amount mutually agreed upon by Lessor and Lessee. Lessee's estimate of Fair Market Value of the Equipment proposed to be purchased shall accompany the one hundred twenty (120) days' notice set forth above. If Lessee has submitted a fair market value offer based upon an actual appraisal, it shall be done by a knowledgeable, industry recognized appraiser and appraisal costs shall be born by the Lessee. If Lessor and Lessee are unable to agree upon the amount of the Fair Market Value of the Equipment proposed to be purchased by Lessee within sixty (60) days' after Lessor's receipt of the estimate thereof, then the Fair Market Value shall be determined by an appraiser selected by mutual agreement, and the costs and expenses of such appraisal shall be borne equally by Lessee and Lessor. If Lessor and Lessee are not able to agree upon an appraiser, or if the Fair Market Value is not so determined within ninety (90) days' after Lessor's receipt of Lessee's notice of election to exercise the purchase option, the Fair Market Value shall be determined by American Appraisal Company, the costs of such appraisal to be borne equally. The Fair Market Value as finally determined shall bear interest for the period, if any, from the date of expiration of the IER to the date of payment, at the Overdue Rate.

Except for Items of Equipment purchased by Lessee as set forth above, all the Equipment then leased shall be returned pursuant to Section 15 of the Lease upon the expiration or earlier termination of the Term of this Lease.

(b) Fair Market Value Renewal Option. Upon the expiration of the Lease term with respect to the IER, provided that Lessee has paid all rentals and all other sums then due by Lessee to Lessor, or which would become due upon request of Lessor, as required under the provisions of this Lease, and provided that neither an Event of Default, nor an event which with the giving of notice or lapse of time, or both, would constitute such an Event of Default, has occurred and then remains unremedied, Lessee shall have the option, exercisable on at least one hundred either (180) days' prior written notice to Lessor, to renew the Lease term with respect to all or a random selection of less than all of the Equipment then subject to this Lease for an additional term (herein called a "Renewal Term") which will not exceed 150% of the ADR mid-point for such Equipment, at a rental for such Renewal Term that would be obtained for the Equipment in an arms-length transaction between an informed and willing prospective lessee and an informed and willing lessor under no compulsion to lease (said rate being herein called the "Fair Rental Rate").

If, on or before a date on hundred thirty-five (135) day's prior to the expiration of the Lease term with respect to the IER, Lessor and Lessee are unable to agree upon a determination of the Fair Rental Rate of the Equipment, such Fair Rental Rate shall be determined in accordance with the procedure for Appraisal.

Appraisal shall mean a procedure whereby two recognized independent equipment appraisers, one chosen by the Lessee and one by the Lessor, shall mutually agree upon the amount in question. Lessor or Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 business days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the amount in question, a third recognized independent appraiser shall be chosen within five days thereafter by the mutual consent of such first two appraisers, or if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any successor organization thereto. The decision of the third appraiser so appointed and chosen shall be given within a period of ten (10) days after the selection of such third appraiser. The decision of the third appraiser shall be binding and conclusive on Lessor and Lessee. Lessor and Lessee shall share equally the fees and expenses of the Appraisal.

The renewal rentals shall be payable on the same day of each rental period consistent with the rental payment dates of the original Term commencing with the first rental period after the expiration of the Term and continuing until the expiration of the Renewal Term, and such Renewal Term shall be subject to the terms and conditions of the Lease.

All the Equipment shall be returned pursuant to Section 15 of the Lease upon the expiration of the Term or Renewal Term of the Lease or the earlier termination thereof.

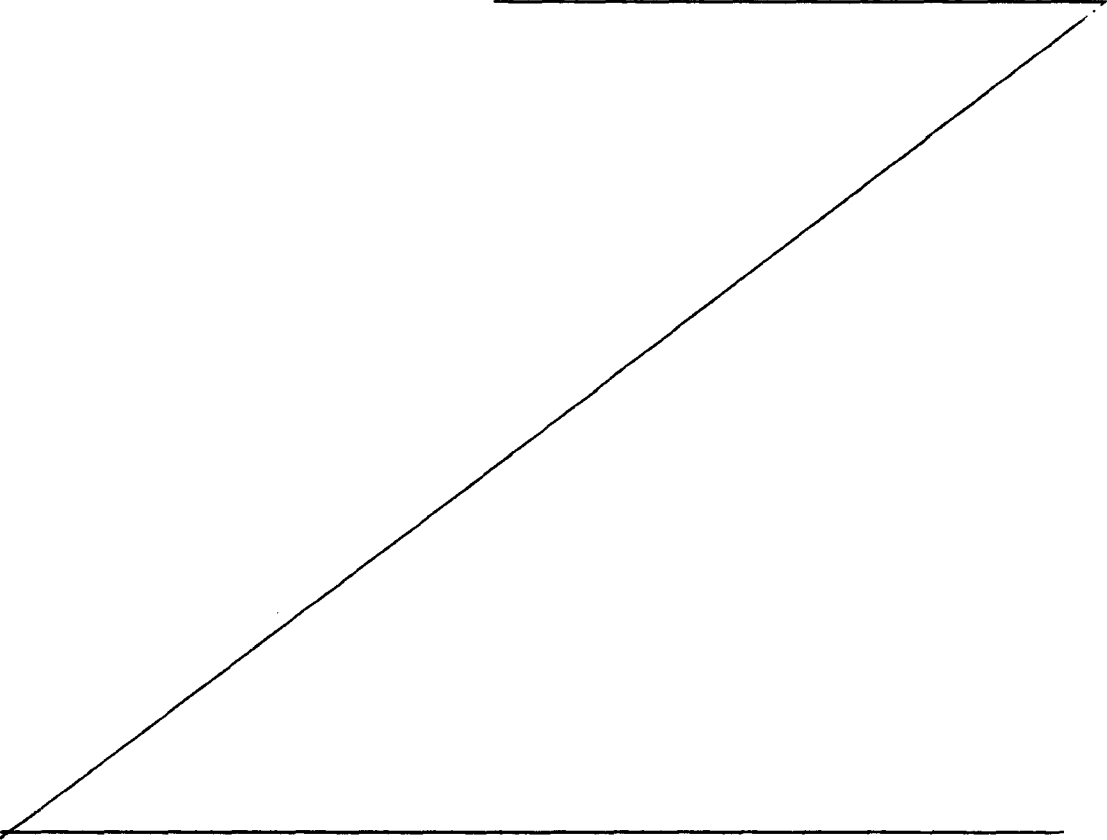
30. Right of Termination. Subject to compliance with all the conditions of this paragraph, and so long as no Event of Default (or event which, with notice or passage of time, or both, would constitute an Event of Default) shall have occurred and be continuing, Lessee shall have the right to terminate this Lease as to all or a random selection of less than all of the Equipment after the 5th anniversary of the Lease on no less than 180 days' prior written notice to lessor specifying a proposed date of termination (which date shall be a date on which an installment of rent is due and payable), provided, however, that such right of termination shall be subject to Lessee having made a good faith determination that such Equipment has become obsolete or surplus to its requirements.

During the period from the giving of notice of termination until the date of termination specified therein, Lessee shall use its best efforts to obtain bids for Lessor for the cash purchase of the Equipment to be terminated. In the event either party receives any bid, such party shall immediately, but in no event less than fifteen business days prior to the proposed date of sale (which shall be the date of termination) certify to the other party in writing the amount of such bid, and the name and address of the person or entity (who shall not be Lessee or any person, firm or corporation related to, or affiliated with Lessee) submitting such bid. Lessee shall deliver the Equipment promptly after expiration of the date of termination in accordance with Section 15 hereof to the bidder, if any, which shall have submitted such highest bid and Lessor shall, on an "as is" basis and without recourse or warranty simultaneously therewith sell such Equipment for cash to such bidder, provided Lessee pays to Lessor the amount, if any, required by the following paragraph.

The total selling price realized at such sale shall be retained by Lessor and, in addition, on the date of such sale, Lessee shall pay to Lessor, in immediately available funds, any difference between (A) the sum of accrued and unpaid rent to and including the date of termination, any other obligations owed by Lessee to Lessor, and the Stipulated Loss Value for the Equipment computed as of such date, less (B) the sale price of the Equipment received by Lessor after deducting the costs, expenses and taxes, if any, incurred in connection with such sale.

In the event this sale is not consummated for any reason, or no prospective purchaser is obtained by Lessee or Lessor, this Lease shall be and continue in full force and effect.

The indemnification provided herein shall survive the expiration or other termination of the Lease.



(the next page hereof is numbered - 32 -

STATE OF CALIFORNIA,

COUNTY OF LOS ANGELES

SS.



ON July 29, 1982,
before me, the undersigned, a Notary Public in and for said State, personally appeared

D. V. Black

_____, known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Joanne B. Smith
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 233—Rev. 3-64

State of California

County of Alameda

SS.

On this the 29th day of July, 1982, before me,

Wanda E. Dani

the undersigned Notary Public, personally appeared

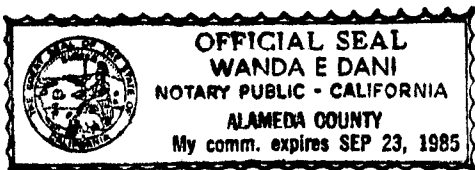
John F. Burns

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as
Senior Vice President or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Wanda E. Dani
Notary's Signature

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized officers on the day and year first written above.

LESSOR: MDFC EQUIPMENT LEASING
CORPORATION

By: D. J. Black

Its: Vice President

LESSEE: KAISER CEMENT CORPORATION

By: John F. Burns

Its: Senior Vice President - Finance
and Treasurer

INDIVIDUAL EQUIPMENT RECORD

IER NO. 667-001Dated as of July 29, 1982 to that Equipment Lease Agreement dated as of July 29, 1982 between:

LESSOR: MDFC Equipment Leasing Corporation
P.O. Box 580
100 Oceangate, Suite 900
Long Beach, California 90801

LESSEE: Kaiser Cement Corporation
300 Lakeside Drive
Oakland, California 94612

LOCATION OF EQUIPMENT: Cushenbury, California (used in Interstate Commerce)

ACCEPTANCE DATE: July 29, 1982

New <u>XXX</u> Used _____	Lessee's Purchase Order No. <u>1580-1327-8105</u>	Term: <u>15</u> year(s) <u>0</u> month(s) Commencing on the Acceptance Date	Security Deposit: \$ _____
Sale and Use Tax: Exempt: <u>Used in Inter-</u> <input checked="" type="checkbox"/> <u>State Commerce</u> Exemption No. _____ Capitalized _____ <input type="checkbox"/> Based on Rentals _____ % <input type="checkbox"/> Remit with each Payment		INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value. LIABILITY: Bodily Injury Liability \$ <u>10,000</u> ,000 per person/\$ <u>10,000</u> ,000 per accident: Property Damage Liability \$ <u>10,000</u> ,000	
RENTAL: \$ <u>0</u> payable upon execution of this IER, to be applied to the <u>N/A</u> rental installment. Payment of the <u>1st</u> through <u>30th</u> rental installments, each such rental installment to be in the amount of \$ <u>34,175.83</u> , shall commence on <u>January 29, 1983</u> and shall continue thereafter to be payable on the <u>29th</u> day of each <u>January and July</u> .			
EQUIPMENT DESCRIPTION AND SERIAL NO.(s) (SEE ATTACHED INVOICES):			
Equipment Description	Serial No.	Equipment Cost	
Fifteen (15) ACF 2980 cu.ft. bulk cement 100 ton railroad covered hopper cars	KCGX 30 - 44	\$558,000.00	

STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
Before Payment 1	101.8				
After Payment 1	104.6				
2	106.8				
3	103.8				
4	104.9				
5	102.7				
6	103.2				
7	100.3				
8	100.2				
9	95.9				
10	94.9				
11	90.0				
12	88.7				
13	87.3				
14	85.8				
15	84.3				
16	82.6				
17	80.9				
18	79.1				
19	77.2				
20	75.3				
21	73.2				
22	71.1				
23	68.8				
24	66.5				
25	64.1				
26	61.5				
27	58.9				
28	56.2				
29	53.4				
30	50.0				
and thereafter	50.0				

SPECIAL CONDITIONS:

Upon the expiration or earlier termination of the term of this lease with respect to an item of equipment, Lessee shall return such item of equipment to Lessor, free of all advertising or insignia placed thereon by Lessee, and in the same operating order, repair, condition and appearance as when received, and shall pay for any repairs and refurbishing necessary to restore such item of equipment to its original condition, ordinary wear and tear excepted. The railroad cars must qualify for interchange service and meet all DOT/FRA regulations then in effect applicable to such railroad cars. Lessee shall return such item of equipment to Lessor loading and shipping same, freight and insurance prepaid, to a destination mutually agreed to by Lessee and Lessor or to Long Beach, California.

In addition, Lessee shall permit Lessor to store any such item of equipment for a period not to exceed ninety (90) days after the expiration of the term and prior to the return of such item of equipment to Lessor. The storage of the equipment will be at the expense and risk to the extent of the Stipulated Loss Value of the equipment, of the Lessee until such item of equipment shall have been delivered to Lessor. Notwithstanding anything to the contrary contained herein, commencing on the expiration of the lease term and throughout the Lessor's ninety (90) day storage period the Lessee shall provide the Lessor, or any person designated by it, access to such equipment and will allow the Lessor to display the equipment to any authorized representative or representatives of prospective purchasers or lessees of such equipment, and will permit said representative and representatives to examine the books and records of the Lessee relating to the registration and licensing of such equipment. The delivery, storage and transporting of the equipment as hereinbefore provided are of the essence of the lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the equipment.

STATE OF CALIFORNIA,

COUNTY OF LOS ANGELES

ss.

ON July 29, 1982,
before me, the undersigned, a Notary Public in and for said State, personally appeared

D. V. Black

known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



Joanne B Smith
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 233—Rev. 3-64

State of California

County of Alameda

ss.

On this the 29th day of July, 1982, before me,

Wanda E. Dani

the undersigned Notary Public, personally appeared

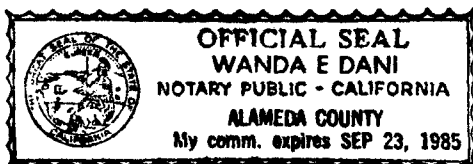
John F. Burns

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as
Senior Vice President or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Wanda E. Dani
Notary's Signature

SPECIAL CONDITIONS (continued):

As between Lessor and Lessee and for purposes of the Lease,

The Lessor hereby leases to Lessee, and Lessee hereby agrees to hire from Lessor, the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order.
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee.
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee.

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT OF THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE EQUIPMENT IS LEASED HEREUNDER "AS IS".

(5) THAT THE EQUIPMENT IS NEW AND UNUSED, AND THAT THE EQUIPMENT HAS BEEN DELIVERED TO, IS NOW IN POSSESSION OF AND ACCEPTABLE TO LESSEE, AND THAT ALL OF THE EQUIPMENT IS ELIGIBLE FOR INVESTMENT TAX CREDIT OF NOT LESS THAN 10 %.

(6) THAT ALL OF THE EQUIPMENT IS 5 -YEAR RECOVERY PROPERTY.

The Lessee hereby represents and warrants that:

(1) The representations and warranties of the Lessee contained in the Lease Agreement are true and correct on and as of the date hereof as though made on and as of this date.

(2) No event has occurred and is continuing or will result from the lease of the equipment described herein which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time lapse or both.

LESSOR: MDFC EQUIPMENT LEASING CORPORATION

LESSEE: KAISER CEMENT CORPORATION

By D. V. Haach

By John F. Burns

Title Vice President

Title Senior Vice President - Finance